

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3330

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STATEMENT OF SUPPORT
Substance Abuse Treatment and Prevention

Addiction is taking a heavy toll on Alaska's people, culture and economy. Alaska ranks #1 in the nation in alcohol-related deaths and Alaskans with substance abuse problems, or co-occurring mental and substance abuse disorders, are more likely to be homeless, spend time in correctional facilities, and become involved in child protective service proceedings. The financial impact of addiction is staggering, costing the state an estimated \$738 million a year in health care costs, accidents, lost productivity, criminal justice and correctional facilities.

Something must change. We support updating Alaska statutes to promote expanding access to a wide spectrum of treatment, identifying those with co-occurring mental health and substance abuse disorders, and addressing substance abuse among youth and populations with higher incidences of addiction.

Please add my name/organization to the list of supporters.

Name Anne Dennis - Choi
Organization The Salvation Army Clithorne Center
Title Executive Director
Signature Anne Dennis - Choi
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Phone (907) 770-8804 Fax (907) 770-8881
Email annechoi@salvationarmy.org Website http://www2.salvationarmy.org/clithorne
I/We would also be willing to:

- Publish an article in our newsletter
- Mobilize our membership
- Participate in media events
- Contact legislators

Please return this form to:
Office of Senator Johnny Ellis
State Capitol, Rm. 9
Juneau, AK 99801

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Please add my name/organization to the list of supporters.

Name Joseph P. Burns
Organization Nuyen's Ranch
Title Night ATTENDANT.
Signature Joseph P. Burns
Address 4006 Steven Dr. #8 Wacilla, AK 99654
Phone 373-7542 Fax _____
Email joeburns@ntaonline.net Website _____

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Please add my name/organization to the list of supporters.

Name GREG R. PEASE
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Phone 907 780 3011 Fax 907 463 3535
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We would also be willing to:

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GASTINEAU HUMAN SERVICES
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"A Chance For Change"

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Greg Pease
Executive Director

Mission Statement

To serve individuals, their families and the community by providing structured residential treatment and employment program opportunities with an emphasis on those persons who are criminal offenders and/or substance abusers.

Kate Herring

From: Anna Sappah [annasappah@hotmail.com]
Sent: Wednesday, March 21, 2007 9:37 AM
To: Sen. Con Bunde; Sen. Lesil McGuire; Sen. Lyda Green; Sen. Gary Stevens; Sen. Hollis French
Cc: Kathryn L Craft; Angela Salerno; Kate Herring
Subject: SB100

Dear Senators,

I am writing today to voice my support of SB100 that was introduced by Senator Johnny Ellis. This piece of legislation can help to save the lives of Alaskans.

I am a recovering heroin addict. I have been clean for over 11 years. The reason that I am clean today is because I was able to receive appropriate treatment for my disease. Available treatment is the key to addicts being able to stop using long enough to learn the life skills they need to live without the use of drugs, including alcohol.

When I was using, I was a drain on my community and on the resources of our State. I collected welfare & medicaid and was unable to support myself or raise my children without assistance. I was a victim of domestic violence on numerous occasions. As a result of completing treatment, I have become a productive member of my society. I am able to parent my own children. I work full time and I am co owner of a family business. I attend APU full time seeking a double bachelors degree. I serve on the Advisory Board for Alcohol and Drug Abuse and volunteer for the Substance Abuse Directors Association, Meeting the Challenge Program and am a board member of the Narcotic Drug Treatment Center in Anchorage.

SB 100 can reduce the occurrence of FAS/FAE, reduce expenditures in Corrections and court costs and better serve people with co-occurring disorders. Addicts do recover and treatment is effective. Please support SB 100. Help to end the cycle of addiction that is killing Alaskans.

Respectfully,
Anna Sappah

1711 Logan Street
Anchorage, AK 99508
907-277-8796

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

*Advisory Board on Alcoholism and Drug Abuse
Alaska Mental Health Board*

Sarah Palin, GOVERNOR

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Research Shows Effectiveness of Involuntary Substance Abuse Treatment

Involuntary Treatment of Alcohol-Dependent Patients: A Study of 17 Consecutive Cases of Civil Commitment. (2001) Department of Psychiatry, University Hospital, Lausanne, Switzerland.

This four-year study completed a cross-sectional comparative analysis of alcohol-dependent patients being treated under civil commitment. The study included 15 patients who were civilly committed to alcohol treatment and a comparative group of 34 randomly selected age- and sex-matched patients. Pre- and post-assessment included the patient's medical condition, social status, patterns of alcohol use, type and duration of residential treatment as well as their perceptions of commitment.

Results: The average duration of commitment was 29 weeks. At the time of follow-up, 14 out of 15 patients were alive, and 10 agreed to be interviewed. Eight of these reported complete abstinence, and 9 considered their alcohol problem as less severe than before. The majority of patients considered commitment as having been justified and useful. Health-related quality of life was good on average and better than that usually reported by other cohorts of alcoholics undergoing treatment.

Conclusions: Residential civil commitment is useful and successful for treating certain severely impaired alcohol-dependent patients. This study suggests that civil commitment not only may save the lives of endangered patients but could also be a health-promoting measure that allows for recovery from dependence. In addition, the study showed that civil commitment is well accepted by many patients who considered the commitment decision as having been justified and useful.

Utilization of Services by Persons Discharged from Involuntary Chemical Dependency Treatment

Charles Maynard, PhD
Gary B. Cox, PhD
Antoinette Krupski, PhD
Kenneth Stark, MBA, MED

ABSTRACT. This report compares services utilization pre-admission and post-discharge in 735 consecutive persons involuntarily committed to a chemical dependency treatment program in Washington State. Patients entering treatment were in their late 30s, had multiple health problems, previous arrests for misdemeanors or felonies, and minimal structured daily activities. Post discharge, there were decreases in the use of costly acute care services including detox, psychiatric hospitalization, and mental health crisis services. Patients who completed the program were less likely to use acute care services and were more likely to participate in outpatient treatment after discharge. The overall death rate of 29.4 per 1000 persons per year was 4 times greater than the age adjusted death rate for the US adult population. Further studies of other involuntary chemical dependency treatment programs are needed to evaluate the results of this report. *[Article copies available for a fee from The Haworth Document Delivery Service; 1-800-342-9678. E-mail address: getinfo@haworthpressinc.com <Website: <http://www.haworthpressinc.com>>]*

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KEYWORDS. Services, substance abuse, involuntary commitment, civil commitment

Little is known about what happens to individuals who are discharged from involuntary treatment of alcohol or substance abuse problems.^{1,2} Depending on the jurisdiction, involuntary commitment of persons with alcohol or substance dependence is used by the courts in numerous ways, and may serve as an alternative to or diversion from incarceration.³ Commitment may be part of both civil and criminal proceedings⁴ and is employed to force treatment for a limited period of time and to protect the general society. Civil commitment and court diversion programs targeting intravenous drug users have been employed to reduce the number of users at risk for transmitting or contracting the AIDS virus.⁵

The purpose of this paper is to compare services utilization pre-admission and post-discharge in patients who were involuntarily committed to a chemical dependency treatment program in Washington State. A second objective is to ascertain if program completion was associated with decreased use of acute care services and increased use of outpatient treatment. In Washington State involuntary commitment is part of civil proceedings and can be used as a substitute for incarceration.

METHODS

Patient population. This study included all patients (n = 735) who were involuntarily committed to a single residential treatment facility between July 1, 1994 and January 29, 1997 and were discharged prior to March 1, 1997. The facility includes 65 beds for patients involuntarily committed. A second 65-bed unit for clients who are mentally ill with alcohol and/or substance abuse problems will not be considered here. For those entering the involuntary program for the first time, treatment is 60 days in duration and offers case management, counseling, education, activity, and vocation programming services, as well as continuing care and discharge planning. Details of the court proceedings that led to commitment were not available.

Baseline characteristics. The residential treatment facility's information system provided detailed data on patient demographic and

medical characteristics, substance abuse diagnoses, and program completion status. Alcohol and substance disorder diagnoses at admission and discharge were available for about half of individuals discharged from the program. Status at discharge was defined as complete or not complete; the reasons for non-completion included relapse, leaving treatment against medical advice, disengagement from therapy, or non-compliance.

Utilization of services. As this study examined existing databases, it was necessary to match identifiers from the residential treatment facility's client database to those in the databases used to track utilization of services. An inventory of the databases follows.

The Treatment and Assessment Report Generation Tool from the Division of Alcohol and Substance Abuse of the Washington State Department of Social and Health Services was used to examine alcohol and substance abuse services received from July 1, 1993 through May 31, 1997. Services were categorized according to the following modalities (1) residential, (2) intensive inpatient, (3) MICA residential, (4) outpatient, (5) detox, and (6) methadone. The Community Mental Health Information System, administered by the Mental Health Division of the Department of Social and Health Services, reported utilization of community mental health services from January 1994 through August 1997. The monthly number of treatment hours for crisis services and all outpatient services were obtained, although details concerning other treatment modalities were not available.

Information concerning health services paid for by Medicaid from July 1, 1993 through July 25, 1997 was obtained from the Medical Assistance Administration. Services were categorized as: (1) emergency medical, (2) psychiatric hospitalization, (3) general in-patient medical hospitalization, (4) medical outpatient, (5) prescription drugs, and (6) nursing home. The first 3 acute care services were of particular interest. The amount reimbursed for each service was calculated in 1997 dollars, and the total amount for all services was calculated.

Vital status. Vital status of individuals committed to the program was determined from 2 sources: first, death records for 1994 through 1996 obtained from the Washington State Department of Health, Center for Health Statistics, and second, hospitalization records for 1993 through 1997 obtained from the Medicaid Management Information System. Death records did not contain information on individuals who died out of state or those who died in 1997.

Statistical methods. We used the chi-square statistic to assess the univariate association between program completion status and categorical variables including baseline characteristics and utilization. The t-test was used to determine if age and length of stay differed by completion status. We used stepwise logistic regression to determine if program completion was associated with utilization after controlling for all other predictors of utilization. All statistically significant ($p < 0.05$) variables were allowed to enter the model and at the final stage, completion status was forced in the model to determine its association with the particular measure of utilization.

Age adjusted rates of death were calculated using the direct method of standardization. Total deaths for the 1996 United States population were reported by the National Center for Health Statistics.⁶ The age distribution of the 1990 US population was used as the standard population.

RESULTS

Patient characteristics. Individuals who were involuntarily committed had multiple medical problems, despite being relatively young (Table 1). Prior to admission, nearly 60% had been arrested for misdemeanors, and over 30% had felony arrests. Information about admission diagnosis was available for 48% of patients. Over 90% had alcohol dependence; other dependencies included cannabis (41%), cocaine (36%), opioids (34%), and amphetamines (22%); many individuals had more than one chemical dependency.

Vital status. There were 29 deaths; 12 were due to injury including accident, homicide, or suicide, and 17 were due to medical conditions associated with substance abuse. The age adjusted death rate was 29.4 per 1000 persons per year and was 4 times higher than the age adjusted death rate of 7.4 per 1000 for the general US population, ages 15 through 80.

Alcohol, substance abuse, and community mental health services. There was a decline in the use of detox services from 63% in the year before admission to 30% in the year after discharge (Table 2). The proportion of patients in outpatient treatment increased slightly from 28% prior to admission to 31% after discharge. In the year after discharge, 41% of individuals with significant chemical dependencies did not receive alcohol or substance abuse services. Due to differential

TABLE 1. Patient Characteristics and Program Completion

Characteristic	Complete (n = 552)	Not complete (n = 183)	Chi-square	P
Age at Admission (years)	40 ± 10	36 ± 10	4.55	<0.0001
Women	30%	27%	0.64	0.42
Race			2.89	0.58
Black	6%	4%		
White	85%	85%		
Hispanic	1%	2%		
Native American	8%	8%		
Arrest Prior to Admission				
Misdemeanor	59%	61%	0.34	0.56
Felony	28%	39%	7.15	0.008
Marital Status			4.57	0.21
Single, never married	46%	52%		
Separated	12%	10%		
Divorced	30%	30%		
Married	13%	8%		
Medical History				
Diabetes	4%	4%	0.009	0.92
Pancreatitis	8%	6%	0.60	0.44
Ulcers	21%	21%	0.00	0.98
GI bleeding	17%	21%	2.33	0.13
Seizures	33%	30%	0.47	0.49
Cardiac	20%	13%	5.02	0.025
Liver disease	46%	31%	13.04	<0.0001
Respiratory disease	22%	18%	1.04	0.31
Malnutrition	28%	29%	0.03	0.86
Number Medical Conditions			3.29	0.19
None	26%	31%		
One	19%	23%		
Two or more	54%	46%		
Activity Level Prior to Admission			10.40	0.015
Full time employment	7%	4%		
Part time employment	6%	1%		
Day treatment	5%	8%		
No structured activities	82%	87%		

* t-test

follow-up, the number of individuals declined from 735 in the year after discharge to 577 in the 2nd year after discharge. Differential follow-up refers to the fact that an individual discharged in 1994 had 3 years of follow-up, whereas one discharged in 1997 had only a year.

Community mental health services utilization was similar in the year prior to admission and the year after discharge, although crisis services were used less often in the year after discharge (Table 2). For clients receiving services, the median annual number of hours of all services but crisis increased from 17.0 in the year prior to admission to 18.2 in the year after admission, and ultimately decreased to 13.1 in

year 2 and 10.2 in year 3. For those who received mental health crisis services, the median annual number of hours changed from 2.0 in the year prior to admission to 2.2 in the year after and to 2.9 and 2.5 in years 2 and 3, respectively. The proportion of clients receiving crisis services declined steadily from the year prior to admission to 3 years after discharge. However, the mean number of hours of crisis services increased for those receiving services.

Medicaid services. From the year before admission to 3 years after discharge, the utilization of Medicaid services declined significantly (Table 3). There were decreases in the use of the relatively costly acute

TABLE 2. Utilization of Substance Abuse and Community Mental Health Services

Service	Year before admission	1 year after discharge	2 years after discharge	3 years after discharge
Substance Abuse (n)	735	735	577	355
Detox	63%	30%	20%	16%
Mentally ill chemically abusing residential	6%	4%	2%	0.4%
Other residential	15%	20%	10%	4%
Intensive inpatient	8%	3%	2%	1%
Methadone	0.7%	0.7%	0.9%	0.7%
Outpatient	28%	31%	15%	10%
Differential diagnosis	2%	0.4%	0.2%	0%
None	21%	41%	66%	75%
Mental Health (n)	735	735	577	355
All but crisis	37%	38%	32%	18%
Crisis	33%	22%	16%	11%
None	52%	57%	65%	78%

TABLE 3. Utilization of Medicaid Services

Service	Year before admission	1 year after discharge	2 years after discharge	3 years after discharge
(n)	735	735	577	355
Emergency Medical	56%	51%	32%	21%
Prescription Drugs	64%	69%	53%	41%
Psychiatric Hospitalization	16%	9%	7%	3%
General Medical				
In-patient hospitalization	31%	22%	13%	10%
Outpatient	62%	65%	44%	30%
Nursing home	2%	2%	2%	1%
Any Service	74%	78%	60%	47%

care services, including emergency department visits, psychiatric hospitalization, and in-patient hospitalization.

Mean and median reimbursements for services paid for by Medicaid are shown in Table 4, which displays the actual dollars paid to providers, with the N column indicating the numbers of patients who received services during the time period. From the year prior to admission to the year after discharge, there were significant declines in median reimbursements for emergency medical services, medications, psychiatric hospitalization, outpatient medical services, and for all services. However, increases with respect to in-patient hospitalization and nursing home care costs for clients receiving these services were

TABLE 4. Reimbursement for Medicaid Services

Service	Mean(\$)	SD(\$)	Median(\$)	N
Emergency Medical				
1 year before	1461.13	2291.99	704.80	406
1 year after	1169.71	1932.42	578.21	362
2 years after	1253.70	2704.94	533.23	182
3 years after	1021.09	2319.83	379.10	68
Medications				
1 year before	851.61	1346.58	411.08	467
1 year after	869.97	1485.09	384.68	507
2 years after	937.83	1364.78	453.48	289
3 years after	605.18	837.97	258.10	125
Psychiatric Hospitalization				
1 year before	6817.15	7251.90	4348.90	120
1 year after	4217.53	2900.58	3935.59	55
2 years after	4184.11	3891.71	3893.19	22
3 years after	3817.14			1
Inpatient Medical Hospitalization				
1 year before	4006.60	8964.77	1496.17	225
1 year after	4543.58	7663.78	2130.40	155
2 years after	4894.55	8912.57	1853.55	74
3 years after	6062.10	7811.08	2074.03	25
Outpatient Medical				
1 year before	1696.50	3636.01	477.03	455
1 year after	1461.41	3124.21	387.42	479
2 years after	989.93	1708.09	279.53	241
3 years after	592.32	1133.46	164.22	101
Nursing Home				
1 year before	5633.79	6280.81	3810.76	13
1 year after	7517.57	9760.10	3941.47	12
2 years after	6814.60	5997.63	5748.21	6
3 years after				0
All				
1 year before	7065.47	10534.32	3343.62	544
1 year after	4768.42	8023.33	2057.10	571
2 years after	3920.04	6975.39	1752.85	326
3 years after	2458.79	4889.16	607.35	149

also apparent, although the proportion of patients hospitalized decreased.

The total cost of all Medicaid services in the year prior to discharge was approximately \$3.8 million; in the year after discharge it was \$2.7 million, a 29% reduction. Of note were large decreases from pre-admission to post discharge for psychiatric hospitalization (\$0.8 to \$0.3 million); there were also declines for emergency medical services (\$0.6 to \$0.4 million) and in-patient hospitalization (\$0.9 to \$0.7 million).

Combinations of services. In the year prior to admission, 94% of patients used one or more services categorized as chemical dependency, community mental health, or Medicaid, and in the year after admission, 88% did. The combination of chemical dependency and Medicaid services was provided to 62% of clients in the year prior to admission and 57% in the year after discharge. Less than 10% of patients used only a single service during the 2 time periods.

Program completion and service utilization. The mean length of stay for all patients was 65 ± 30 days, with a median stay of 59 days. Overall, 75% completed the program; the mean length of stay was 71 ± 28 days for those who completed the program and it was 47 ± 27 days for those who did not. The most common reasons for failure were non-compliance, disengagement from therapy, and leaving against medical advice.

The utilization of key services in the year after discharge was compared for those completing and not completing the program (Table 5). Clients who completed the program were less likely to be hospitalized for medical reasons and were also less likely to receive mental health crisis services. Those who completed the program were more than twice as likely to receive outpatient chemical dependency treatment than their counterparts who did not complete treatment. Program completion was not associated with the use of detox, emergency medical services, or psychiatric hospitalization. The proportions of deaths in the 2 groups were similar; 4.4% in the group not completing treatment, and 3.8% in the group completing treatment. We used logistic regression to examine the association between program completion and utilization. Variables in Table 1 as well as whether the service of interest was received in the year prior to admission were covariates. For most services, the univariate and multivariate odds ratios and 95% confidence intervals were similar.

TABLE 5. Program Completion Status and Service Utilization in the Year Following Discharge Odds Ratio and 95% Confidence Intervals

Service	Completed (n = 552)	Not completed (n = 183)	Univariate odds ratio	Multivariate odds ratio
Detox ¹	30%	32%	0.91 (0.64-1.31)	0.91 (0.61-1.33)
Chemical dependency outpatient ²	32%	18%	2.19 (1.44-3.34)	2.33 (1.51-3.60)
Mental health crisis ³	20%	30%	0.58 (0.40-0.85)	0.67 (0.45-1.01)
Emergency medical ⁴	50%	54%	0.86 (0.61-1.20)	0.97 (0.67-1.41)
Psychiatric hospitalizations ⁵	9%	11%	0.79 (0.46-1.38)	0.89 (0.50-1.61)
Inpatient medical hospitalization ⁶	15%	23%	0.60 (0.40-0.91)	0.56 (0.36-0.88)

¹Adjusted for in order of entry, use in the previous year, history of seizures, and presence of ulcers.

²Adjusted for in order of entry, number of illnesses at baseline, female gender, and use in the previous year.

³Adjusted for in order of entry, use in the previous year and race.

⁴Adjusted for in order of entry, use in the previous year and history of seizures.

⁵Adjusted for use in the previous year, only.

⁶Adjusted for in order of entry, use in the previous year, history of seizures, race, and absence of prior felony arrests.

DISCUSSION

In this evaluation of service utilization and expenditures in individuals discharged from involuntary treatment for substance abuse, the overall death rate for those discharged from treatment was four times higher than that of the general US population. Patients entering treatment tended to have multiple health problems, previous arrests for misdemeanors or felonies, and minimal structured activities. Overall, from the year before admission to up to three years after discharge, there were declines in the cost and utilization of all services, including costly acute care services. Patients who completed the program were less likely to use acute care services and more likely to participate in outpatient treatment after discharge.

Even though more than 60% of states have programs for involuntary chemical dependency treatment, there are few, if any, published evaluations of these programs.^{3,7} Most of the existing literature on involuntary treatment has considered legal aspects of civil commitment or coercive versus voluntary treatment, with almost no attention paid to treatment outcomes.^{1,7} Involuntary treatment for alcohol or substance disorders has been characterized as a hybrid of medical and legal approaches.⁷ The program evaluated in this report included case

management, counseling, educational, activity, and vocational programming services, as well as continuing care and discharge planning.

The results of this study must be considered in the light of several limitations. The tracking of utilization relied on administrative data sources and the ability to link those data with the treatment facility's database. It was not possible to identify services paid for by other organizations, most notably the Department of Veterans Affairs. For these reasons, the cost and utilization of services are likely to have been underestimated. Several important types of data were also missing or deficient. For example, we were unable to obtain information about felony or misdemeanor arrests in the time after discharge. Given the significant proportion of patients with a history of misdemeanor or felony arrests, there most likely was some arrest activity after discharge. These events can be costly, particularly when they result in judicial proceedings and/or incarceration. If program completion was associated with fewer arrests, considerable savings could be incurred. Also, there was no information on alcohol consumption or substance use in the post discharge period. Finally, little was known of the circumstances of commitment and whether they influenced outcome.

Another weakness of the study was the absence of a control or comparison group. For a variety of reasons, including ethical ones, it would be next to impossible to conduct a randomized trial of involuntary treatment, although it may be feasible to identify a group of individuals comparable to those undergoing involuntary treatment. Such a study design could not control for all differences between the 2 groups, but it would at least provide a basis for making comparisons. Without having a comparable group of patients who were not committed, it is difficult to say that treatment resulted in improved outcomes. Individuals may have improved despite not receiving treatment, although given the life circumstances of these individuals, this is highly unlikely.

Despite these limitations, this report demonstrated a significant decline in service utilization after discharge, as well as an association between program completion and services reduction. Hopefully, other states will evaluate their involuntary treatment programs, so that the results of this study can be placed in perspective. In conclusion, completion of involuntary treatment by individuals with severe substance abuse disorders may result in lower health care costs, primarily through reduced use of emergency department, hospital, and other acute care services.

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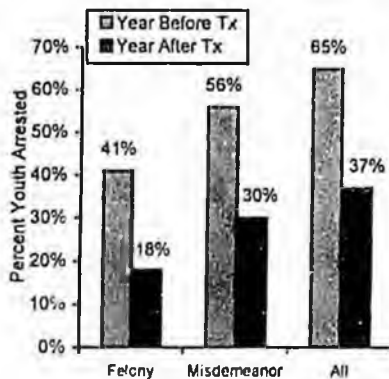


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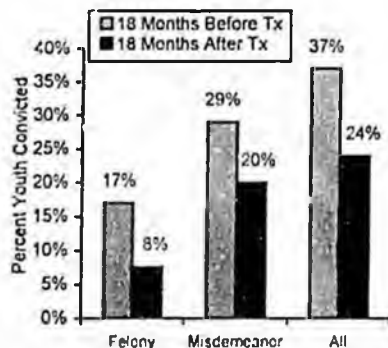
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Chemical Dependency Treatment Reduces Crime in Washington State

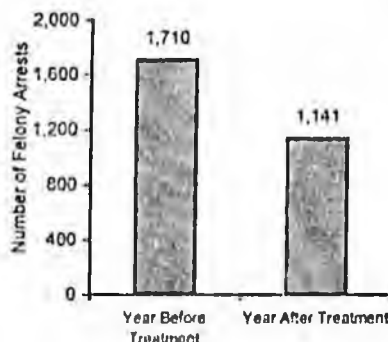
Youth Arrests Declined Significantly After Inpatient Treatment



Youth Convictions Declined Significantly After Treatment



Adult Felony Arrests Declined by 33% in the Year After Treatment



Arrests and Convictions Decreased After Treatment in Chemically Dependent Youth

- A study of over 450 chemically dependent Washington State youth showed that felony arrests decreased 56% (from 41% to 18%) between the year before and the year after treatment for inpatient clients and 54% for outpatient clients (from 41% to 19%). Misdemeanor arrests decreased by 46% in inpatients (from 56% to 30%) and by 40% in outpatients (from 47% to 27%) (New Standards, Inc., 1997).
- A recent study of almost 6,000 Washington State youth, 14-17 years of age, revealed significant declines in convictions: 56% decline in felonies (from 17% in the 18-months before treatment to almost 8% in the 18-months after treatment) and a 30% decline in misdemeanors (from 29% to 20%). (Luchansky, He, Longhi, Krupski, & Stark, 2003).

Arrests and Participation in Illegal Activities Declined After Treatment in Chemically Dependent Adults

- There was a 33% decline in the number of arrests for felony offenses in the year after treatment (compared to the year before) in a study of over 10,000 adult publicly-funded clients (Luchansky, He, & Longhi, 2002).
- Illegal activity declined 85% in a study of almost 600 adults discharged from publicly-funded chemical dependency residential treatment (from an average of 4.1 days engaged in illegal activities in the 30 days prior to treatment admission to 0.6 days in such activities in the 30 days prior to the 6-month follow-up). Average 30-day earnings from illegal activity declined 93%, from \$485 at admission to \$32 at follow-up (Carney & Donovan, 2000).
- Pregnant and parenting women who received chemical dependency treatment (n=763) had a decrease of more than 50 percent in arrest rate in the two years after treatment (Cawthon, 2004).
- In a study of over 20,000 chemically dependent Supplemental Security Income (SSI) recipients it was found that the likelihood of being arrested in the year after treatment was 16 percent lower when clients received chemical dependency treatment. The likelihood of a felony conviction was reduced by 34 percent (Estee & Nordlund, 2003).

Clients Who Stayed in Treatment Longer Had Better Criminal Justice Outcomes

- Treatment episodes over 90 days in length were associated with a 32% reduction in the probability of a felony arrest in the 18 months following discharge. Completing a treatment episode was associated with a 21% reduction the probability of an arrest (n=10,284) (Luchansky, He, & Longhi, 2002).
- A recent study of almost 6,000 Washington State youth, 14-17 years of age, showed that clients completing treatment had a 29% reduction in risk of a felony conviction and a 17% reduction in the risk of any conviction (Luchansky, He, Longhi, Krupski, & Stark, 2003).

For every dollar spent on Drug Court, taxpayers receive roughly \$2.45 in benefits to the criminal justice system.

Persons addicted to drugs need not be internally motivated at the outset of treatment to benefit from it. In fact, such persons legally pressured into treatment often have better outcomes than voluntary clients.

For more information on outcome studies of chemical dependency treatment, contact:

Research Investigator
Division of Alcohol & Substance Abuse
Department of Social & Health Services
PO Box 45330
Olympia, WA 98504
Phone: (360) 438-8200, or toll-free at
(877) 301-4557

Website: www1.dshs.wa.gov/dasa/

- A recent study of 135 persons admitted to opiate substitution treatment found that those clients participating in treatment for at least 170 days reported less time in jail and fewer days engaging in illegal activity at 6- and 12- months following discharge compared to clients who stayed in treatment for less than 170 days (Carney, 2003).

Drug Court Participation Was Associated With Fewer Re-Arrests and Cost Savings to the Criminal Justice System

- Drug Court participants who completed a full course of chemical dependency treatment (n=297) were significantly less likely to be re-arrested in the 25 months following admission than the combined group of individuals who failed, dropped out, opted out, or were ineligible for the Drug Court Program (n=788). (Cox et al 2001).
- A study of drug courts conducted by the Washington State Institute for Public Policy estimated that, for every dollar spent on Drug Court, taxpayers receive roughly \$2.45 in benefits to the criminal justice system (Washington Institute for Public Policy, 1999).

Coerced Treatment Is Effective

- A conclusion of a recent review of the national literature is that persons addicted to drugs need not be internally motivated at the outset of treatment to benefit from it. In fact, such persons who are legally pressured into treatment often have better outcomes than voluntary clients because they are likely to stay in treatment longer and are more likely to graduate (Sate1, 1999).
- Another review of literature reached a similar conclusion, stating that coerced addiction treatment typically results in favorable outcomes among criminal populations, with coerced convicts complying as well as those not mandated to treatment (Miller & Flaherty, 2000).

References

- Carney, M. (2003). Fact Sheet: "Clinical Changes Over Time Based on Length of Stay in Opiate Substitution Treatment." Seattle, WA: University of Washington, Alcohol and Drug Abuse Institute.
- Carney, M., & Donovan, D. M. (2000). Fact Sheet: "Washington State Outcomes Project. Clinical Improvement from the Adult Residential Treatment System 6 Months Post Discharge." Olympia, WA: Division of Alcohol and Substance Abuse, Department of Social and Health Services.
- Cawthon, L. (2004). Fact Sheet: "First Steps Database. Safe Babies, Safe Moms." Olympia, WA: Research and Data Analysis Department of Social and Health Services.
- Cox, G., Brown, L., Morgan, C., & Hansen, M. (2001). Drug Court Evaluation Project. Final Report. Seattle, WA: Alcohol and Drug Abuse Institute, University of Washington.
- Estee, S., & Nordlund, D. J. (2003). *Washington State Supplemental Security Income (SSI) Cost Offset Pilot Project. 2002 Progress Report.* Olympia, WA: Research and Data Analysis Division, Department of Social and Health Services.
- Luchansky, B., He, L., & Longhi, D. (2002). Fact Sheet: "Substance Abuse Treatment and Arrests: Analyses from Washington State." Olympia, WA: Washington State Department of Social and Health Services, Division of Alcohol and Substance Abuse.
- Luchansky, B., He, L., Longhi, D., Krupski, A., & Stark, K. (2003). *Treatment Readmissions and Criminal Recidivism in Youth Following Participation in Chemical Dependency Treatment.* Manuscript in preparation for publication.
- Miller, N. S., & Flaherty, J. A. (2000). Effectiveness of coerced addiction treatment (alternative consequences): A review of the clinical research. *Journal of Substance Abuse Treatment, 18,* 9-16.
- New Standards, Inc. (1997). *Washington State Division of Alcohol and Substance Abuse One-Year Adolescent Outcomes Report.* Olympia, WA: Division of Alcohol and Substance Abuse, Department of Social and Health Services.
- Sate1, S. L. (1999). *Drug Treatment. The Case for Coercion.* Washington, DC: The AEI Press.
- Washington State Institute for Public Policy (1999). "Can Drug Courts Save Money for Washington State Taxpayers?" Olympia, WA.

SENATE COMMITTEE REPORT

DATE: 3/21/07

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3/29/07

State Affairs Committee considered SENATE BILL NO. 100

SB 100 SUBSTANCE ABUSE/MENTAL HEALTH PROGRAMS

"An Act relating to substance abuse and mental health disorder prevention and treatment programs; and relating to long-term secure treatment programs for persons with substance abuse or co-occurring substance abuse and mental health disorders."

and recommends:

- be replaced with SCS or CS SB 100 (STA)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	03/21		✓		2
HSS	03/21	✓			1



APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
	French Stevens	x			
	Green			x	
	Bunker		✓		
CHAIR:	McInure			✓	

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/28/07

FURTHER: State Affairs
Finance

Date of 5-Day Notice: 3/15/07
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/19/07

Health, Education and Social Services Committee considered SENATE BILL NO. 100

SB 100 SUBSTANCE ABUSE/MENTAL HEALTH PROGRAMS

"An Act relating to substance abuse and mental health disorder prevention and treatment programs; and relating to long-term secure treatment programs for persons with substance abuse or co-occurring substance abuse and mental health disorders."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title

HOUSE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	3/15/07	✓			1
HSS	3/15/07		✓		2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do Not PASS	No REC	AMEND
<i>[Signature]</i>	Elton	✓			
<i>[Signature]</i>	Thomas	✓			
<i>[Signature]</i>	Cowdery			✓	
<i>[Signature]</i>	DYSON	✓			
CHAIR: <i>[Signature]</i>	DAVIS				

4/17/07

My name is Suey Linzmeier and I am the mother of an alcoholic and an addict. I strongly support SB 100, and urge those of you with doubts to do a bit more research on alcoholism and drug dependency.

Alcoholism is a disease. Without intervention, treatment, education and on-going support, most alcoholics and addicts are unable to control their habit... which means they are incapable of knowing when they have had too much.

My son struggled with drugs and alcohol for 7 years. He learned about drugs in the Juneau School District and obtained them there. It took him the last two years of extremely overwhelming addiction issues to ask for treatment support. If I could have forced him into a program sooner, I would have. But that method of treating is usually ineffective unless the program is holistic in dealing with the victim.

The Russian Orthodox Priest Father Michael Oleksa, who regularly counsels prisoners around the state, said that when he asks men in the Alaska prison system (because 85% of the people in prison are male) what led them to commit the crimes that put them in jail, 90% say they were drunk or high at the time they committed their crime. They may be locked up, but their disease is not being treated and they most likely will be repeat offenders.

My son was fortunate that our family has medical insurance and we could get him to a non-profit program in Washington with some of the best success rates in treatment in the nation (they're actually ranked third). There he, and our entire family, learned about the diseases of alcohol and addiction, and new methods of coping and being healthy. He will always be an addict and an alcoholic, but now he has learned how to find support wherever he is through the AA network and other community venues, and most

importantly that being an addict and alcoholic means never drinking a drop again.

(empire)

This boy was not so lucky. He is the same age as my son, and also started experimenting with drugs and alcohol in seventh and eighth grade. His mandatory court 'treatment' was at a local facility with a not-so-successful rate for helping young addicts and alcoholics. I am confident that if he were sentenced to treatment at the program my son went to, he would not be in this situation today.

The state of Washington offers their DUI offenders the option of prison or treatment. I wish that were an option in our State, because as we all know, the disease of alcohol knows no economic or social barriers. A 21-day treatment bill is \$4,200 with all expenses paid including family therapy.

In that program we also saw pregnant women. They looked like they had many hard times behind them, but they also had a glow and happiness about them that made me suspect that their children will have a better life.

Thank you for your time, please get any questions about recovery that you have answered before you vote on this important topic, and thank you for supporting SB 100.

SB

101

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE RETURNED: 1/28/08

FURTHER:

DATE TURNED
IN TO OFFICE: 2/19/08

Finance Committee considered SENATE BILL NO. 101

SB 101 GUARDIANSHIP AND CONSERVATORS

"An Act relating to private professional conservators and private and public guardians."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or YES SB 101 (2d LDC)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/> Same Title	
<input checked="" type="checkbox"/> New Title	
HOUSE BILL:	
<input type="checkbox"/> Same Title	
<input type="checkbox"/> Technical Title Change	
<input type="checkbox"/> New Title w/ SCR # _____	

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	2/05/08			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CCET	1/18/08			✓	3
ADMIN	11/29/07			✓	4

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Thomas	✓			
	Dyson	✓			
	Haggins	✓			
	Olson			✓	
CO-CHAIR:	HOFFMAN			✓	
CO-CHAIR:	STEINHILBER			✓	

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS SB 101 (L&C)
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Senior and Disabilities Svcs
 Component Senior/Disabilities Svcs Admin

ID(File name) SB101CS(2d L&C)-DHSS-SDSA-2-5-08
 Title GUARDIANSHIP AND CONSERVATORS
 Sponsor SENATE (L&C)
 Requester SENATE FINANCE

Component No. 2663

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES (0)								
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FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 101 CS(2dL&C) directly impacts the Office of Public Advocacy, but will assist Adult Protective Services workers as they work with vulnerable adults. In addition to providing improved guidelines for private guardians, it also provides additional protection for incapacitated persons unjustly involved in interstate guardianship proceedings. This fiscal note will have a zero fiscal impact to Senior and Disabilities Services.

Prepared by: Rod Moline, Division Director
 Division Senior and Disabilities Services
 Approved by: Karleen Jackson, Commissioner
 Agency Department of Health and Social Services

Phone 465-3372
 Date/Time 02/04/2008
 Date 02/05/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSSB 101(2d L&C)
(S) Publish Date: 1/28/08

Identifier (file name): SB101-DOA-OPA-11-29-07 Dept. Affected: Administration
Title: An Act relating to private professional conservators RDU: Legal and Advocacy Services
and private and public guardians. Component: Office of Public Advocacy
Sponsor: Labor and Commerce Component Number: 43
Requester: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: *(Attach a separate page if necessary)*

This bill will amend the current licensure requirements for private professional conservators and guardians so as to eliminate duplicative licenses and fees. This legislation would also impose requirements that public guardians and conservators undergo criminal background checks to determine whether the applicant has been convicted of any crimes of dishonesty within ten years of his or her application, and also require that Public Guardians receive certification from a national guardian/conservatorship organization within one year of employment at OPA. These two requirements are already imposed on private guardians. The costs of the criminal background checks and certification fees will be de minimus, and therefore, OPA submits a zero fiscal note.

Prepared by: Joshua P. Fink, Director
Division: Office of Public Advocacy
Approved by: Rachael Petro, Deputy Commissioner
Department of Administration

Phone 907-269-3501
Date/Time 11/29/07 4:00 p.m.
Date 11/29/2007

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 101(2d L&C)
(S) Publish Date: 1/28/08

Identifier (file name): SB101CS(STA)-CED-OL-01-18-08 Dept. Affected: DCCED
Title Guardianship and Conservators RDU Corp, Bus and Prof Licensing (117)
Component Corp, Bus and Prof Licensing
Sponsor Senate Labor & Commerce
Requester Senate Labor & Commerce Component Number 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation amends various provisions of AS 08.26 Professional Conservators and Guardians and new funds are not required to implement the provisions of this bill. The licensing program is required to cover its costs with licensing fees under AS 08.01.065, and revenue generated by fees are anticipated to cover its full operating costs.

Prepared by: Jennifer Strickler, Chief
Division: Corporations, Business and Professional Licensing
Approved by: Emil Notti, Commissioner
Commerce, Community, and Economic Development

Phone: (907) 465-2144
Date/Time: 1/18/08 6:00 PM
Date: 1/18/2008



Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 213
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832
Email: senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: January 15, 2008
TO: Finance Committee
(Nancy Thomas, Room 519)
FROM: Office of the Senate Secretary
SUBJ: Referral Change

The Senate President has added/changed the referral(s) on the following bill(s):

RETRIEVE

SENATE BILL NO. 101

"An Act relating to private professional conservators and private and public guardians."

Please give the bill file(s) to the page delivering this message. The bill file(s) may be returned to your Committee, if appropriate, after the designated changes have been made.

Thank you.

2/06/08

25th
ALASKA STATE LEGISLATURE

Senator Johnny Ellis, Chair
Senator Gary Stevens, Vice Chair
Senator Bettye Davis
Senator Lyman Hoffman
Senator Con Bunde



State Capitol, Room 9
465-3704

Senate Labor & Commerce Committee

Senate Bill 101, An Act relating to private professional conservators and private and public guardians

Sponsor Statement

The Senate Labor & Commerce Committee introduced Senate Bill 101, An Act relating to private professional conservators and private and public guardians, at the request of the Office of Public Advocacy. The bill seeks to encourage more private professional guardians in Alaska, while assuring that individuals providing that service are appropriately licensed and regulated. Additionally, it mandates that public guardians meet or exceed the same standards as private professional guardians.

Senate Bill 101, now CSSB 101 (2nd L&C) would amend licensing statutes to require that all private professional guardians and conservators be licensed individually; the bill would repeal organizational licenses. Also, the bill would clarify that bonding and insurance requirements for guardians and conservators are those imposed by courts. The bill specifies certain crimes that would disqualify an individual from obtaining a license and imposes a further test of any other crime that would indicate that the individual is unsuitable to competently and safely provide services to the protected person. The bill also mandates written findings where courts deviate from the priority lists of potential guardians or conservators.

Additionally, the bill now incorporates into Alaska Statutes the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act. This legislation, developed by the National Conference of Commissioners for Uniform State Laws, would establish common procedures among states for settling jurisdictional, transfer and enforcement issues arising from guardianship cases that cross state borders.

The Labor & Commerce Committee views this bill as a positive enhancement to Alaska's guardianship and conservator statutes and invites your support.

For more information, please contact Dana Owen, committee staff, at 465-2906.

Changes from SB 101 to CSSB 101 (L&C):

- Removed bonding and insurance requirements as a requirement to obtain a license as no such requirement is imposed on other professions licensed by Occupational Licensing. Moreover, bonds may be required by the court on a case by case basis when ordering the protective appointment.
- Clarified what criminal convictions would preclude an applicant from receiving a license. In essence, a conviction of a crime of dishonesty received within the last 10 years, or any other crime the department determines would affect the applicant's ability to provide guardian or conservator services (i.e. – assault on the elderly, etc.).
- Directed that annual reports should be sent and retained by the Office of Public Advocacy instead of Div. of Occupational Licensing. OPA would then inform Occupational Licensing that it had received the licensee's report and also inform the division of any irregularities or cause for concern.

Changes from CSSB 101 (L&C) to CSSB 101 (STA):

- Sec. 9 was amended to conform to amendments in the L& CS. The requirement that a licensee maintain a bond or insurance was eliminated. However, the court may still order a bond in individual cases. Accordingly, sec. 9, which lists grounds for disciplinary action, was amended to read "fails to maintain" a court ordered bond or surety rather than "is not able to be bonded and insured".

Changes from CSSB 101 (STA) to CSSB 101 (3rd L&C): version AO

- Chapter 27, Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act
 - Begins on p. 11, sec. 24. The principle aim of the act is to provide a common procedure among states to deal with jurisdictional, transfer and enforcement issues in guardianship cases that cross state borders. It has been approved by the National Conference of Commissioners for Uniform State Laws.
- P. 9, sec. 17. Gives the court authority to make a finding of incapacity without expert testimony if the respondent in a guardianship proceeding stipulates to incapacity.
- P. 9, sec. 18. Mandates written findings in cases where the court deviates from the priority list of potential guardians, explaining why the specific guardian was appointed and why higher priority individuals were not.
- P. 10, sec. 20. Mandates written findings in cases where the court deviates from the priority list of potential conservators, explaining why the specific conservator was appointed and why higher priority individuals were not.

- P. 10, sec. 21. Provides that records of cases involving public guardians are confidential, except where they are relevant to an investigation of a public guardian who has provided guardianship or conservatorship services.
- P. 11, sec. 23 Allows OPA to collect funds (deferred fees) from a ward's account following the termination of the appointment prior to releasing the funds.
- Various conforming amendments throughout.

SENATE FINANCE COMMITTEE
SB 101 - GUARDIANSHIP AND CONSERVATORS
SIGN-IN

NAME: Jennifer Strickler
Dept./Company: Commerco/CBPL Title: Chief
Email: jenny.strickler@alaska.gov Phone: 465-2144
Do you wish to testify? Yes No Respond To Questions

NAME: Deborah Behr
Dept./Company: Dept. of LAW
UNIFORM LAW COMMISSIONER Title: CHIEF
ASSISTANT
ATTORNEY GENERAL
Email: Deborah.Behr@alaska.gov Phone: 465-2122
Do you wish to testify? Yes No Respond To Questions

NAME: Josh Fink
Dept./Company: Office of Public Advocacy Title: Director
Email: joshua.fink@alaska.gov Phone: 269-3500
Do you wish to testify? Yes No Respond To Questions

NAME: _____
Dept./Company: _____ Title: _____
Email: _____ Phone: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____
Dept./Company: _____ Title: _____
Email: _____ Phone: _____
Do you wish to testify? Yes No Respond To Questions



RECEIVED

FEB - 5 2008

Darwin

February 5, 2008

The Honorable Lynian Hoffman, Co-Chair
Senate Finance Committee
Alaska State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman, Co-Chair
Senate Finance Committee
Alaska State Capitol, Room 516
Juneau, AK 99801-1182

RE: SB 101 (Senate Labor and Commerce Committee)--Support

Dear Co-Chairs Hoffman and Stedman:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Finance Committee to support your Committee bill SB 101.

SB 101 is, in AARP's view, a consumer safeguard bill that builds on previous work to make certain our guardianship and conservatorship regulations work as they are intended.

Incapacitated elders are at risk of abuse, neglect and exploitation by guardians and conservators. SB 101 will help guard against fiduciary abuse.

As the need for guardians has grown, courts have found it more difficult to find family members or friends able and willing to accept the responsibilities of guardianship. Professional guardians and conservators are used more and more often. SB 101 will help improve the quality of guardians and prevent abuses. As Alaska insists on training and certification and reporting, we will ensure that all guardians are better informed about their responsibilities and the requirements for caring for incapacitated people.

AARP considers SB 101 as one more significant step creating safeguards in what will only become a growing industry. Government oversight is essential for quality control.

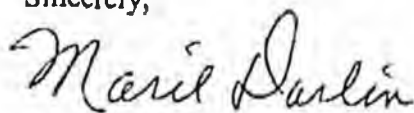
The Attorney General is recommending that Alaska adopt a uniform law on guardianship which is being promoted by the National Association of Attorneys General. This is now part of SB 101 and we feel it is a very comprehensive improvement to the original bill.

We urge an "AYE" vote on SB 101.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,



Maric Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Charlie Huggins
Senator Kim Elton
Senator Donald Olson
Senator Joe Thomas
Senator Fred Dyson
Senator Johnny Ellis

02/06/08

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 29, 2008

SUBJECT: Sectional Summary of CSSB 101(2d L&C)
(Work Order No. 25-LS0559\V)

TO: Senator Johnny Ellis
Chair of the Senate Labor & Commerce Committee
Attn: Dana Owen

FROM: Alpheus Bullard
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Requires a person providing services as a private professional guardian or conservator to have a license issued under AS 08.26.

Section 2. Allows for the issuance of "full" and "partial" guardian licenses, eliminates the requirement that an applicant for licensure provide proof that the individual is able to be bonded and insured, changes how the criminal history of an applicant will be interpreted by the department, and requires an applicant for either a full or partial private professional guardian license to satisfy the requirements for obtaining a private professional conservator license under AS 08.26.030.

Section 3. Adds a new subsection to AS 08.26.020, governing the issuance of a private professional partial guardian license.

Section 4. Eliminates the requirement an applicant for licensure provide proof that the individual is able to be bonded and insured, and changes how the criminal history of an applicant for licensure as a private professional conservator will be interpreted by the department.

Section 5. Changes what is required to be submitted with an application for licensure as a private professional conservator or guardian.

Section 6. Changes what an annual report from a licensee under AS 08.26 must include, and to whom the annual report should be submitted.

Section 7. Requires the office of public advocacy to notify the Department of Commerce, Community, and Economic Development of a licensee's compliance in filing an annual report.

Section 8. Conforms the language of AS 08.26.100 to changes made in sec. 1 of the Act.

Section 9. Amends the grounds for disciplinary action under AS 08.26, and the disciplinary actions the department may take against a licensee.

Section 10. Changes the language of AS 08.26.180 to provide individuals employed by certain financial institutions a licensing exemption to AS 08.26.

Section 11. Redefines some of the terms used in AS 08.26.

Section 12. Adds a subsection to AS 13.26.010, which provides that the section is subject to the requirements of the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act.

Sections 13 - 16. Amend the language of AS 13.26.095(d), AS 13.26.109(b), 13.26.109(c), and 13.26.109(d) to conform with the repeal of AS 13.26.155 made by sec. 26 of the Act.

Section 17. Changes the procedures by which a court may make a finding of incapacity.

Section 18. Requires a court to make appropriate written findings if the court appoints a person who has lower priority as a guardian of an incapacitated person under AS 13.26.145(d).

Section 19. Amends AS 13.26.170 to conform with changes made by sec. 24 of the Act, and change the jurisdiction exercised by a court in which a petition has been filed seeking the appointment of a conservator or other protective order.

Section 20. Requires a court to make appropriate written findings if the court appoints a person who has lower priority as a conservator of an incapacitated person under AS 13.26.210(d).

Section 21. Makes certain records required to be kept by a public guardian confidential unless the records are relevant to certain cases, investigations, or proceedings.

Section 22. Adds new eligibility requirements for individuals to whom a public guardian may delegate powers and duties.

Section 23. Allows the office of public advocacy, following the termination of a public guardian's appointment, to collect the reasonable cost of the services rendered to the ward or protected person before releasing that ward or protected person's funds.

Section 24. Adds a new chapter, AS 13.27, "Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act."

▪ Article 1. Application; Cooperation between Courts.

13.27.010. Provides for how an Alaska court should treat a court of a foreign country in a matter concerning a guardianship or protective proceeding in Alaska.

13.27.020. Establishes how an Alaska court may communicate with courts in other states concerning a guardianship or protective proceeding in Alaska.

13.27.030. Establishes how an Alaska court may cooperate with courts in other states concerning a guardianship or protective proceeding in Alaska.

13.27.040. Provides for the taking of testimony in another state in a guardianship or protective proceeding in an Alaska court.

▪ Article 2. Jurisdiction.

13.27.100. Specifies that AS 13.27.100 - 13.27.180 provide the exclusive basis for subject matter jurisdiction for an Alaska court to appoint a guardian or issue a protective order for an adult.

13.27.110. Establishes the jurisdiction basis upon which an Alaska court may appoint a guardian or issue a protective order.

13.27.120. Describes when a court that lacks jurisdiction under AS 13.27.110 may exercise special jurisdiction.

13.27.130. Establishes that a court that has appointed a guardian or issued a protective order has exclusive and continuing jurisdiction.

13.27.140. Provides criteria for a court having jurisdiction under AS 13.27.110 to decide whether another court is a more appropriate forum, and the procedures a court must follow if it declines to exercise jurisdiction.

13.27.150. Sets out the procedures that a court may employ if the court determines that it acquired jurisdiction to appoint a guardian or issue a protective order because of unjustified conduct.

13.27.160. Requires notice of a petition for the appointment of a guardian or the issuance of a protective order be given to certain persons in another state if this state was not the respondent's home state when the petition was filed.

13.27.170. Provides rules for an Alaska court when a court of another state is also engaged in a related proceeding concerning the appointment of a guardian or issuance of a protective order.

13.27.180. Provides definitions for AS 13.27.100 - 13.27.180.

▪ Article 3. Transfer of Guardianship or Conservatorship.

13.27.200. Establishes how a guardianship or conservatorship may be transferred to another state.

13.27.210. Establishes how a guardianship or conservatorship may be transferred from another state.

- Article 4. Registration and Recognition of Orders from Other States.

13.27.300. Provides how a guardian appointed in another state may register a guardianship order in Alaska.

13.27.310. Provides how a conservator appointed in another state may register a protective order in Alaska.

13.27.320. Provides that a guardianship or protective order of another state that is registered in Alaska allows that guardian or conservator to exercise all powers authorized in the order except as may be prohibited or conditioned by Alaska law.

- Article 5. Miscellaneous Provisions.

13.27.400. Provides direction as to how AS 13.27 should be applied and construed to promote uniformity.

13.27.410. Describes the relationship between AS 13.27 and the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001, et seq.).

- Article 6. General Provisions.

13.27.490. Provides definitions for AS 13.27.

13.27.495. Establishes a short title for the chapter.

Section 25. Changes the language of AS 47.10.115(c) to conform with the repeal of AS 13.26.155 made by sec. 26 of the Act.

Section 26. Repeals AS 08.26.040 and AS 13.26.155.

Section 27. Provides for the applicability of sec. 24 of the Act.

Section 28. Specifies how current licenses issued under AS 08.26.040, repealed by sec. 26, will be affected by the Act.

02/30/08



**National
Guardianship
Foundation**

P.O. Box 5704 - Harrisburg, PA 17110 - (717) 238-4689 phone - (717) 238-9985 fax
www.guardianship.org

May 7, 2007

National Conference of Commissioners on
Uniform State Laws (NCCUSL)
c/o David G. Nixon, Chairman
211 E. Ontario Street
Suite 1300
Chicago, IL 60611

Dear Mr. Nixon:

The National Guardianship Foundation (NGF) Board of Trustees met in late April and voted unanimously to endorse the attached resolution related to the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act.

Should you have any questions, please don't hesitate to contact me directly. Thank you for your hard work on this important issue.

Sincerely,

Denise R. Calabrese
Executive Director

cc: NGF President Gary Beagle
NGA Executive Director Terry Hammond
David English

02/06/08

NATIONAL GUARDIANSHIP FOUNDATION

RESOLUTION IN SUPPORT OF:

THE UNIFORM ADULT GUARDIANSHIP AND PROTECTIVE PROCEEDINGS

JURISDICTION ACT

WHEREAS population mobility has left courts facing many dilemmas and challenges concerning which of several states have jurisdiction over guardianship and protective proceedings;

WHEREAS the National Conference of Commissioners on Uniform State Laws endeavors to carry forward the groundbreaking work of the National College of Probate Judges in its National Probate Court Standards on interstate jurisdiction transfers by drafting the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act;

WHEREAS this Uniform Act, if enacted, will fulfill a key recommendation of the 2001 Wingspan National Guardianship Conference by providing procedures to resolve interstate jurisdiction controversies and to facilitate transfers of guardianship cases among jurisdictions;

WHEREAS the Act provides for the recognition and enforcement of a guardianship or protective proceedings orders, and facilitates the communication and cooperation between Courts of different jurisdictions concerning guardianship or protective proceedings;

WHEREAS the Act provides for a method of determining the appropriate initial forum for such proceedings, for a method of obtaining an order to transfer jurisdiction over such proceedings to another state, and for the recognition and registration of guardianship or protective orders across state lines,

WHEREAS the application and construction of this Uniform Act will promote uniformity of the law with respect to jurisdictional issues of guardianship and protective proceedings for adults among states that enact it;

WHEREAS the National Guardianship Foundation is involved in the process of drafting the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act with the help of the AARP, American Bar Association, the National Guardianship Association, the National College of Probate Judges, the American College of Trust and Estate Counsel, the National Academy of Elder Law Attorneys, and other interested groups; and

WHEREAS the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, if enacted, can help effectively address the dilemmas and challenges concerning jurisdiction of guardianship and protective proceedings for adults;

THEREFORE BE IT RESOLVED that the National Guardianship Foundation supports the efforts of the National Conference of Commissioners on Uniform State Laws to promulgate the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act.

SENATE COMMITTEE REPORT

DATE: 3/14/07

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3/29/07

State Affairs Committee considered SENATE BILL NO. 101

SB 101 GUARDIANSHIP AND CONSERVATORS

"An Act relating to private professional conservators and private and public guardians."

and recommends:

- be replaced with SCS or CS SB 101 (STA)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

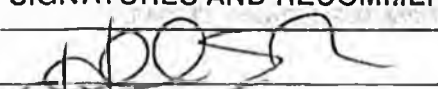

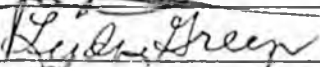
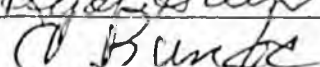

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
COMMERCE	03/07			✓	1
ADMIN	03/06			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	French			x	
	Stevens			x	
	Green	✓			
	Bunde	✓			
CHAIR: 	McClure	✓			

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/28/07

FURTHER: State Affairs
 Finance

Date of 5-Day Notice: 3/1/08
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 3/13/07

Labor and Commerce Committee considered SENATE BILL NO. 101

SB 101 GUARDIANSHIP AND CONSERVATORS

"An Act relating to private professional conservators and private and public guardians."

and recommends:

- be replaced with SCS or CS SB 101 (L+C)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____




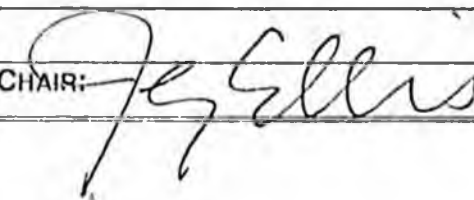
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
COMMERCE	3/7/07			✓	1
ADMINISTRATION	3/6/07			✓	2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	Burt	✓			
	PAVIS	X			
	STEVENS			X	
CHAIR: 	Ellis	X			

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 101(L&C)
(S) Publish Date: 3/14/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title An Act relating to private professional conservators and private and public guardians RDU Legal and Advocacy Services
Component Office of Public Advocacy
Sponsor Labor and Commerce
Requester Labor and Commerce Component No. 43

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will amend the current licensure requirements for private professional conservators and guardians so as to eliminate duplicative licenses and fees. This legislation would also impose requirements that public guardians and conservators undergo a criminal background check to determine whether the applicant has been convicted of any crimes of dishonesty within ten years of his or her application, and also require that Public Guardians receive certification from a national guardian/conservatorship organization within one year of employment at OPA. These two requirements are already imposed on private guardians. The costs of the criminal background checks and certification fees will be de minimus, and therefore, OPA submits a zero fiscal note.

Prepared by: Joshua Fink, Director
Division: Office of Public Advocacy
Approved by: Rachael Petro, Deputy Commissioner
Agency: Administration

Phone 907-269-3501
Date/Time 3/6/07, 11:00 a.m.
Date 3/6/07, 11:45am

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 101(L&C)
(S) Publish Date: 3/14/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Guardianship and Conservators RDU: Occupational Licensing (117)
Component: Occupational Licensing
Sponsor: Senate Labor & Commerce
Requester: Senate Labor & Commerce Component No.: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation amends various provisions of AS 08.26 Professional Conservators and Guardians and is not expected to result in the need for additional funds to implement the provisions.

Prepared by: Chris Wyatt, Administrative Manager
Division: Corporations, Business, and Professional Licensing
Approved by: Emil Notti, Commissioner
Agency: Commerce, Community, and Economic Development

Phone: (907) 465-2572
Date/Time: 3/7/07 3:29 PM
Date: 3/7/2007

SB

102

STIN

FILE

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 27, 2007

SUBJECT: CSSB 102(L&C) relating to mortgage lending
(Work Order No. 25-LS0691NE)

TO: Senator Johnny Ellis
Chair of the Senate Labor and Commerce Committee
Attn: Dana Owen

FROM: 
Theresa Bannister
Legislative Counsel

This memo accompanies a draft of the bill described above.

1. Preemption. In sec. 06.60.370(c), the misdemeanor penalty applies to a person who is exempt under sec. 06.60.015. This raises a preemption issue for federal lending entities otherwise exempt under sec. 06.60.015.

2. Exemptions. Please be aware that limiting the exemptions to persons who operate as mortgage lenders and mortgage brokers may raise a federal preemption issue to the extent the regulation of originators impinges on the activities of national banks and other federally organized financial institutions (e.g., forced removal of an originator).

If I may be of further assistance, please advise.

TLB:lmb
07-111.lmb

Enclosure

COMMITTEE COPY

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 102(L&C)
(S) Publish Date: 4/27/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title Mortgage Lending RDU Banking & Securities (536)
Component Banking & Securities
Sponsor Huggins By Request
Requester Senate Labor & Commerce Component No. 2808

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	241.5	241.5	333.5	333.5	333.5	333.5
Travel	50.0	50.0	50.0	50.0	50.0	50.0
Contractual	65.0	65.0	55.0	55.0	55.0	55.0
Supplies	6.0	6.0	8.0	8.0	8.0	8.0
Equipment	15.0	0.0	5.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	377.5	362.5	451.5	446.5	446.5	446.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	455.0	455.0	510.0	520.0	539.0	549.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 Receipt Supported Services	455.0	455.0	510.0	520.0	539.0	549.0
TOTAL	455.0	455.0	510.0	520.0	539.0	549.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	3	3	4	4	4	4
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would require the licensing and regulation of people originating, lending or brokering mortgage loans. The division estimates there are about 22,000 mortgage documents filed each year in Alaska. The division estimates needing three additional staff (2 Financial Institution Examiners and 1 Business Registration Officer) in the first two years to implement the provisions of this legislation. One new Financial Institution Examiner would be added in the third year to implement the provision requiring all licensees to be examined every three years. Travel funds cover the cost of examining both in-state and out-of-state licensees. Contractual expenses include funds for the Department of Law to draft legal documents, represent the division at administrative hearings resulting from licensing revocations/disciplinary actions, and enforce orders resulting from investigations; and for staff training.

Prepared by: Mark Davis, Director Phone 907.269.8144
Division Banking and Securities Date/Time 4/16/07 3:52 PM
Approved by: Emil Notti, Commissioner Date 4/16/2007
Agency Commerce, Community, and Economic Development

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. CSSB 102(L&C)

ANALYSIS CONTINUATION

Revenue: The division estimates this legislation would generate \$455.0 in each of the first two years year due to the initial licensing of an estimated 200 mortgage licensees and 500 originator licensees (\$175.0 resulting from \$250 per originator and mortgage licenses, and the collection of \$220.0 in document filing fees (22,000 documents at \$10 per document assessment fee)), plus 100 examinations at an average cost of \$6.00 for a total of \$60.0.

In the third year, the division anticipates generating \$510.0 from licensing 250 mortgage licensees and 550 originator licensees for a total revenue amount of \$200.0, plus \$220.0 in document assessment fees, and \$90.0 from 150 examinations at the average of \$6.00 per examination.

In year 4 the division anticipates generating \$520.0 (\$90.0 results from the examination of 150 establishments at a cost of \$6.00 per examination; \$230.0 document assessment fees (23,000 documents at \$10 per document assessment fee)); and \$200.0 mortgage and originator licensing fees.

In year 5, the division anticipates generating \$539.0 (\$90.0 from examination fees, \$230.0 from document assessment fees, and \$219.0 from 275 mortgage licenses and 600 originator licenses.)

In year 6, the division anticipates generating \$549.0 (\$90.0 from examinations fees, \$240.0 in document assessment fees (24,000 documents at \$10 per document assessment fee)), and \$219.0 mortgage and originator licensing fees.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 102(L&C)
(S) Publish Date: 4/27/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
Title An Act relating to mortgage lending RDU Civil
Component Commercial & Fair Business
Sponsor SENATOR(S) HUGGINS
Requester Senate Labor & Commerce Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill would establish new statute to further regulate mortgage lending. Under the bill people who act as mortgage brokers, lenders and originators will be required to obtain a license issued through the Department of Commerce, Community and Economic Development ("DCCED"). The bill also imposes certain conduct requirements on the licensees, includes a prohibited practices section, and authorizes DCCED to impose disciplinary sanctions on licensees for violations of the requirements of the new law. Enactment of the bill will not fiscally impact the Department of Law.

Prepared by: Robert Meiners, Admin. Services Manager Phone 465-5427
Division Administrative Services Division Date/Time 4/13/07 10:37 AM
Approved by: Robert Meiners for Talis Colborg, Attorney General Date 4/13/2007
Agency Department of Law

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 102(L&C)
(S) Publish Date: 4/27/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title An act relating to mortgage lenders RDU Centralized Administrative Services
Component Office of Administrative Hearings
Sponsor Senator Huggins
Requester Senate Labor & Commerce Component No. 2771

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	70.0	70.0	70.0	70.0	70.0
Travel	0.0	3.0	3.0	3.0	3.0	3.0
Contractual	0.0	8.0	8.0	8.0	8.0	8.0
Supplies	0.0	1.0	1.0	1.0	1.0	1.0
Equipment	0.0	2.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	84.0	82.0	82.0	82.0	82.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Interagency receipts)	0.0	84.0	82.0	82.0	82.0	82.0
TOTAL	0.0	84.0	82.0	82.0	82.0	82.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Position Type	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Full-time						
Part-time	0	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill provides for licensing of persons who would be entitled to a hearing if licensure is denied or if disciplinary action is taken against them. Under AS 4.64.030(a)(5), the Office of Administrative Hearings (OAH) would conduct the hearings in these matters for the Department of Commerce, Community and Economic Development (DCCED). This bill also provides for OAH to hear originator surety fund claims. Based on DCCED's projection of probable caseload, OAH likely could not handle all of these cases without adding personnel unless OAH experiences a downturn in other parts of its caseload. OAH estimates needing a one-quarter to one-half time administrative law judge position in FY09, when the bill would take effect, and recovering the cost from DCCED through interagency receipts under OAH's cost allocation plan.

Prepared by: Terry L. Thurbon, Chief Administrative Law Judge
Division: Office of Administrative Hearings
Approved by: Kevin Brooks, Deputy Commissioner
Agency: Department of Administration

Phone 465-1886
Date/Time 4/16/07 10:14 AM
Date 4/16/2007

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/2/07

FURTHER: Finance

Date of 5-Day Notice: 4/12/07
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 4/27/07

Labor and Commerce Committee considered SENATE BILL NO. 102

SB 102 MORTGAGE LENDING

"An Act relating to mortgage lenders, mortgage brokers, mortgage originators, state agents who collect program administration fees, and other persons who engage in activities relating to mortgage lending; relating to mortgage loan activities; relating to an originator fund; relating to fees for mortgage loan transactions; and providing for an effective date."

and recommends:

- be replaced with SCS or CS SB 102 (L+C)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
ADMINISTRATION	4/16/07	✓			1
LAW	4/15/07			✓	2
COMMERCE	4/16/07	✓			3

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
<i>B. Davis</i>	DAVIS				X
<i>John Stevens</i>	STEVENS			X	
CHAIR: <i>[Signature]</i>	Ellis	X			

↑ [Signature]

SB

103

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 103
(S) Publish Date: 4/10/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title Land Transfer Alaska RR and Eklutna RDU _____
Component Alaska Railroad Corporation
Sponsor Resources
Requester Senate Resources Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation transfers the 48-acre rock quarry site in Eagle River, currently owned by the Alaska Railroad Corporation (ARRC), to Eklutna Inc. ARRC is a public corporation supported by revenues generated through its freight, passenger and real estate services. Because ARRC does not receive state funding for operations or capital improvements and is operated as an independent state-owned enterprise, this legislation would not create a fiscal impact for the State.

Prepared by: Wandy Lindskoog, Assistant Vice President, Corporate Affairs Phone 907.265.2498
Division Alaska Railroad Corporation Date/Time 3/15/07 3:34 PM
Approved by: Emil Notti, Commissioner Date 3/15/2007
Agency Commerce, Community, and Economic Development

SPONSOR STATEMENT

SENATE BILL 103: Alaska Railroad Transfers Eklutna Quarry to Eklutna, Inc.

Senate Bill 103 would authorize the Alaska Railroad Corporation (ARRC) to transfer its entire interest in the Eklutna Quarry site north of Eagle River to Eklutna, Inc., the ANCSA village corporation created for the Eagle River area containing the quarry site.

On February 1, 2007, ARRC, Eklutna Inc. and the Native Village of Eklutna signed an agreement memorializing this land transfer. The agreement allows ARRC to obtain appropriate permits and begin removing stockpiled material in the quarry with a replacement value of approximately \$2 million. All parties understood that legislative approval would be required before ARRC could carry out the land transfer.

This 48-acre property and its use as a quarry has been the subject of a long-running dispute between ARRC on the one side and the Native Village of Eklutna and the Municipality of Anchorage on the other. That dispute culminated in three Alaska Supreme Court decisions, which denied ARRC continued use of the quarry without first obtaining a municipal conditional use permit, and prevented ARRC from obtaining federal approval to use the rock on federally funded projects.

While ARRC has recently obtained local and federal approval to remove the processed material, it is unlikely to ever obtain future permits for new blasting without consent of the Village as tribal representative of the Dena'ina Native people. That consent is highly unlikely because the hills that comprise the quarry have valid historic and cultural significance to the Dena'ina. As a result, ARRC determined that it will not use the Eklutna Quarry again for mining rock and has developed a new quarry site on property it owns near Curry, which is approximately 20 miles north of Talkeetna.

Certain agreements that resolved ANCSA Native land claims long ago identified Eklutna, Inc. as the eventual recipient of title to the quarry. Under the North Anchorage Land Agreement (NALA), and the ARRC-Eklutna 3(e) Claims Settlement Agreement, the Quarry will revert to Eklutna, Inc. when it ceases to be used for certain transportation purposes.

Legislative approval of SB 103 will execute these long-standing agreements and pave the way for ARRC and Eklutna, Inc. to work on future land negotiations that are beneficial to both entities.



NATIVE VILLAGE OF EKLUTNA

February 21, 2007

Rep. Bill Stoltze:
Alaska State Legislature
600 E. Railroad Avenue
Wasilla, AK 99654

RE: NVE, ARRC and EI MOU

Dear Representative Stoltze:

As Tribal Administrator of the Native Village of Eklutna, I am writing to assure you that the that the Native Village of Eklutna supports the "Memorandum of Agreement Regarding the Eklutna Quarry" that was recently signed by the Native Village Eklutna, the Alaska Railroad Corporation, and Eklutna, Inc. As we agreed when we signed the Memorandum of Agreement, ARRC will transfer the land of the Quarry to Eklutna, Inc., subject to legislative approval, and ARRC already has the consent to remove stockpiled rock from the Eklutna Quarry. We support both those goals and hope that legislation can be passed that will allow ARRC to make the transfer. If any changes are to be made, we want to be in that loop. When a bill is introduced, we want a copy for our review. Thank you for your consideration of our wishes.

Sincerely,

Daniel Alex, Tribal Administrator, The Native Village of Eklutna



Senior Bank Administration
MAC K3212-051
P.O. Box 196127
Anchorage, AK 99519
Wells Fargo Bank, N.A.

April 13, 2007

Honorable William Stoltze
Room 501
Senate/House of Representative
State Capitol, Mail Stop 3100
Juneau, AK 99801-1182

Via Fax: 907-465-4928

Re: HB #212 -- Railroad land transfer to Eklutna Inc.

Wells Fargo Bank supports the transfer of the Alaska Railroad real property interest at Eklutna as proposed in HB #212. We applaud this very important step taken by the Alaska Railroad. Wells Fargo Bank looks forward to being of any assistance to the parties in seeing this opportunity achieved for Eklutna Inc. and the Native Village of Eklutna.

If you have any more questions or concerns, please feel free to give me a call at 907-265-2948.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Strutz", written over a light-colored background.

Richard Strutz
Regional President

**Agreement Regarding Eklutna Quarry
Between
Alaska Railroad Corporation,
Eklutna, Incorporated and
the Native Village of Eklutna**

Dated as of 1/22/2007

Recitals:

The Eklutna Hills have a documented historic cultural use by the Eklutna Natives of major significance.

The Alaska Railroad developed a rock quarry in the Eklutna Hills sometime between 1920 and 1940. The Railroad has used rock from the quarry for railroad and other projects since that time.

The Ekiutna Quarry (Quarry) transferred from the Federal Government to the Alaska Railroad Corporation (ARRC) with the purchase of the Railroad by the State of Alaska in 1985.

The Quarry was also identified for eventual transfer to Eklutna, Incorporated (EI) in the North Anchorage Land Agreement (NALA), and was further addressed in the Agreement dated January 8, 1987 between the ARRC and EI resolving native land claims (the "3(e) Agreement").

Because of the cultural significance of the Quarry, the ARRC is not able to use the rock resources on Federal projects. The continued use of the Quarry has also been a matter of considerable dispute between the Native Village of Eklutna and the ARRC.

Pursuant to a Memorandum of Understanding dated December 21, 2005, as amended, (MOU) between ARRC, EI, and the Native Village of Eklutna (NVE), the parties have been working together to develop an agreement to allow the ARRC to transfer control, either by ownership or lease, of the ARRC Eklutna rock quarry site; and to provide for other concerns of the parties.

While the above referenced MOU references other properties and negotiations towards agreements regarding other properties and issues are in progress, this Agreement is specific to the Quarry and the stockpiled materials at the Quarry.

Agreement:

1. The mechanism for transfer of control and title to the Quarry is agreed to as follows: ARRC agrees to transfer title and control of the Quarry to EI as soon as practicable on such further terms and conditions as shall be mutually agreed to by the parties as provided for in the December 21, 2005 MOU. EI and NVE understand that a title transfer may require legislative action. All parties are also desirous of accomplishing the transfer under the terms of NALA.

2. The ARRC wishes to utilize the previously mined rock materials (materials) on the ground at the Quarry for ARRC purposes, including federally funded projects. EI and NVE agree that removal of these materials by the ARRC is a necessary part of the transfer process and support ARRC's effort to obtain a conditional use permit for this purpose.

3. All parties agree that removal of the materials, as soon as practicable, is a desired element of this Agreement. All parties agree to cooperate with each other to this end.

4. Traditional access through or near the Quarry site is permitted for NVE villagers or EI shareholders, for subsistence purposes and to gain access to a traditional fishing site on the western side of the Quarry. Such permissible access is subject to safety concerns if the ARRC is operating at the site. EI and NVE agree to observe ARRC safety measures and precautions while using the traditional access.

5. While industrial noise is unavoidable during ARRC operations pursuant to this Agreement, the ARRC will take measures to minimize noise and the timing of noise to the greatest extent possible.

6. Explosives can be used in conjunction with removal of unsafe loose hanging rock or shaping the face of the Quarry rock wall for safety purposes, on twenty-four (24) hours' prior notice to EI and NVE, unless otherwise provided in the conditional use permit.

7. NVE and EI agree that they support any ARRC effort to obtain a National Historic Preservation Act, Section 106 resolution that allows the use of such materials on federally funded railroad projects.

8. Upon final removal of materials, the ARRC will remove the tracks and crossties and any loose or unstable materials in and around the Quarry that could present a safety hazard.

9. EI and NVE are not requesting or demanding any remedial re-vegetation or importation of remedial materials to the Quarry site as part of this Agreement.

Eklutna, Inc.

By W. Price

Its CEO

Dated 1/30/07

Native Village of Eklutna

By David Alax

Its Tribal Administrator

Dated Feb 1, 2007

Alaska Railroad Corporation

By FK Gould

Its Pres/CEO

Dated 1/23/07



Adopted: 01/22/07

Resolution No. 2007-07

Relating to the Approval Transfer
of the Eklutna Rock Quarry to
Eklutna, Inc.

WHEREAS, the Alaska Railroad developed a rock quarry in the Eklutna Hills sometime between 1920 and 1940 and used rock from the quarry for railroad and other projects; and

WHEREAS, the Eklutna Rock Quarry (Quarry) was transferred by license from the Federal Government to the Alaska Railroad Corporation (ARRC) with the purchase of the Alaska Railroad by the State of Alaska in 1985; and

WHEREAS, the Quarry was among the rail properties claimed by Eklutna, Inc. under the Alaska Native Claims Settlement Act (ANCSA) and was the subject of a settlement agreement regarding ANCSA claims between ARRC and Eklutna, Inc. dated January 8, 1987; and

WHEREAS, under said settlement agreement, ARRC would be entitled to continue mining the Quarry until the rock was removed to track subgrade level or when the property was devoted principally to a use other than mining of rock, at which point it would then revert to Eklutna, Inc.; and

WHEREAS, ARRC continued work in the Quarry from time to time following transfer from the Federal Government, but use of the Quarry has also been a matter of considerable dispute with the Native Village of Eklutna (Village) due to the documented significant historic cultural use of the Eklutna Hills by the Eklutna Natives; and

WHEREAS, the Native Village of Eklutna has taken several legal actions against ARRC and others to protect the historical and physical integrity of the Eklutna Hills, culminating in a 2003 Alaska Supreme Court ruling that ARRC must attempt to comply with local planning and zoning ordinances and seek a conditional use permit before conducting any further activity in the Quarry; and

WHEREAS, there is over one million dollars' worth of inventory stockpiled in the Quarry, consisting of rip rap, ballast and fines, which cannot be removed for use without a municipal conditional use permit; and

WHEREAS, because of the historic cultural significance of the Quarry, a conditional use permit for further rock extraction is difficult to obtain and, in addition, without completing a successful consultation with the Village under the

National Historical Preservation Act, ARRC is not able to use any of the rock resources on Federal projects; and

WHEREAS, ARRC management has located and is developing an alternative rock quarry at Curry and, as a result, further use of the Eklutna Quarry as a source is not urgent and compelling; and

WHEREAS, ARRC management believes that final resolution of the Quarry controversy will allow more efficient use of corporate resources, foster better relations with the Village, and encourage good faith negotiations to proceed with Eklutna, Inc. regarding exchange of other properties in a manner that will serve the parties' respective development and operational needs; and

WHEREAS, pursuant to a Memorandum of Understanding dated December 21, 2005, as amended, among ARRC, Eklutna, Inc. and the Village, the parties have been working together to develop an agreement to allow the ARRC to transfer control, either by ownership or lease, of the Quarry site; and to provide for other concerns of the parties; and

WHEREAS, reaching agreement with Eklutna, Inc. and the Village for transfer of the Quarry will enable ARRC to obtain a conditional use permit for removal of the existing rock inventory stockpiled in the Quarry and also to receive Federal Transit Administration approval for use of said rock inventory on federally funded projects; and

WHEREAS, a proposed Agreement Regarding Eklutna Quarry, as attached to the Resolution, has been negotiated and is recommended by ARRC management for Board approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has reviewed the history of railroad use of the Eklutna Rock Quarry and the surrounding controversy and finds that it is in the best interests of the corporation to cease effort to conduct further quarry operations and to transfer complete ownership of the Eklutna Quarry to Eklutna, Inc. as set forth in the attached Agreement and consistent with the provisions of the January 8, 1987 settlement agreement and any other applicable agreements, laws or regulations; and

FURTHER RESOLVED, the President and CEO or his designee is authorized to negotiate such other conditions of transfer and take such other steps as he deems are appropriate and in the best interests of the corporation, including but not limited to seeking legislative approval of the transfer if required by law.

MUNICIPALITY OF ANCHORAGE
PLANNING AND ZONING COMMISSION RESOLUTION NO. 2006-066

A RESOLUTION APPROVING A FINAL CONDITIONAL USE TO ALLOW NATURAL RESOURCE EXTRACTION IN THE T (TRANSITION) ZONE DISTRICT FOR T16N, R1W, SEC. 24, PARCEL B, EKLUTNA ROCK QUARRY SUBDIVISION.

(Case 2006-151; Tax I.D. No. 052-061-04)

WHEREAS, a request has been received from Alaska Railroad Corporation (ARRC) to allow natural resource extraction for Parcel B, generally located northwest of the Village of Eklutna, and

Whereas, the actual rock and gravel quarrying operations have been completed and the applicant proposes to clean up and stabilize the quarry before deeding the property to Eklutna, and requires a conditional use for this purpose, and

WHEREAS, notices were published, posted and mailed and a public hearing was held December 4, 2006.

NOW, THEREFORE, BE IT RESOLVED, by the Municipality Planning and Zoning Commission that:

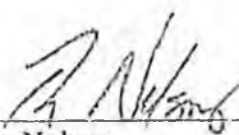
- A. The Commission makes the following findings of fact:
1. Quarrying operations have been completed. The ARRC conditional use for natural resource extraction is actually for the purpose of removing stockpiled rock and gravel material, general clean-up of the site, and rock face stabilization to return the area to a safe condition before turning the property over to Eklutna.
 2. Eklutna Inc. and the Village of Eklutna support the conditional use.
- B. The Commission APPROVES a final conditional use permit to allow natural resource extraction in the T (Transition) Zone District for T16N, R1W, SEC. 24, Parcel B, Eklutna Rock Quarry Subdivision, subject to the following conditions.
1. A Notice of Zoning Action, including a copy of the approved Commission Resolution for this case, shall be filed with the State Recorder's Office and proof of such shall be submitted to the Planning Department.
 2. The conditional use is intended to allow removal of approximately 145,000 tons of stockpiled rip-rap, ballast, and fines from Parcel B.
 3. All construction shall substantially conform to the petitioner's narrative and submitted plans on file at the Planning Department, except as modified by other conditions herein.

4. Prior to the issuance of any land use or excavation permit, the following shall be accomplished:
 - a. Review and approval of a final Air Quality Plan by the Department of Health and Social Services, Air Quality Office; the plan shall include any dust mitigation measures on public roadways and on the roadways within the site; a copy of the approved plan shall be submitted to the Planning Department.
 - b. Resolve the need for a drainage plan, sedimentation and erosion control plan, and a plan for the treatment of stormwater runoff. Plans shall be submitted to Municipal Project Management and Engineering Section for review and approval. Include copies of any required AK-DNR or AK-DEC applications, permits or plans.
 - c. Resolve the need for a restoration plan with Eklutna Inc. and the Planning Department. If the development of the site does not begin within a year, the site will be sodded or hydro-seeded to maintain runoff and air quality, or shall be restored via an alternative method approved by DHHS, DNR, DEC and PM&E.
 - d. A noise control permit application shall be submitted for review, to be approved by DHHS, with a copy to be provided to the Planning Department. Blasting is to be limited to restoring the rock faces to a safe and stable condition and shall be limited to the hours of 8:00 am to 4:00 pm, Monday through Friday. If the Applicant proposes to store explosives on site, a copy of the approved magazine application shall be submitted to the Planning Department. All equipment used in these operations shall comply with Chapter 15.70 Noise Control of the Anchorage Municipal Code.
5. Operational hours for removal of previously quarried materials shall be limited to loading and train operations from 6:00 a.m. to 7:00 p.m., Monday through Saturday. Only emergency operations are permitted on Sundays and holidays, or outside of the above hours. Removal of quarried material by truck will be allowed only by amendment to this conditional use.
6. The operation of the site shall include the following:
 - a. On-site personnel shall be formally trained on all aspects of the excavation operation.
 - b. The telephone number of the contractor selected to perform the work, as well as a contact telephone number for the owners, shall be placed on site. The sign shall be of sufficient size to be visible from the adjacent roadways and the view of the sign shall be unobstructed by equipment, machinery, vegetation and the like.
 - c. On-site personnel shall have total authority to direct road clean-up and maintenance operations as needed. On-site personnel shall have the

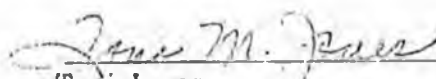
- authority to call a sweeper, water truck and motor grader, as necessary, to respond to specific site conditions or complaints.
- d. Circulation roads within the excavation area shall be maintained to minimize materials carried onto the adjacent properties.
 - e. The owners shall identify contact people to respond to public inquiries. The numbers of the contact people shall be provided to the Chair of the Chugiak Community Council, representatives of the Village of Eklutna and Eklutna Inc., and to the Manager, Land Use Enforcement. The Community Council chairman and Land Use Enforcement shall be notified of any change in the contact personnel or business telephone number(s).
7. This approval is valid until October 31, 2011. Prior to that date the petitioner may apply for a time extension on the same record supplemented as deemed appropriate by the Department. The time extension would be granted after a non-public hearing if the Commission finds the operation has not violated the conditions of approval nor has it created environmental problems either on-site or off-site.
 8. Beginning December 1, 2007, and every December 1 thereafter until the property is transferred to Eklutna, Inc., the Applicant shall submit to the Planning Department, an annual monitoring report containing the following information:
 - a. A log of any complaints reported in the previous year and how the complaint was resolved.
 - b. An update on the amount of material removed during the previous year, and an update, if necessary, of any change to the proposed completion date.
 - c. A close out inspection of the property with representatives of the Planning Department and Eklutna, Inc. at the completion of operations.
 9. The Alaska Railroad Corporation shall seek a jurisdictional determination from the Corps of Engineers, and seek any necessary Clean Water Act authorizations from the COE and EPA. In addition ARRC shall limit adverse impact to water quality and habitat functions, and plan the work to avoid and minimize activities in the intertidal waters, wetlands, and streams, and to provide a non-disturbance buffer for such areas to the maximum extent practical. Copies of permits and plans shall be provided to the Planning Department.

PASSED AND APPROVED by the Municipal Planning and Zoning Commission on the 4th day of December, 2006.

ADOPTED by the Anchorage Municipal Planning and Zoning Commission this 29th day of January 2007. If the secretary received a written request and intent to appeal, this written decision/resolution of the Planning and Zoning Commission is final and any party may appeal it within twenty (20) days to the Board of Adjustment pursuant to Anchorage Municipal Code 21.30.030 and Anchorage Municipal Code of Regulations 21.10.304. If the secretary did not receive a written request and intent to appeal within seven (7) calendar days of the date the decision was made on the record, December 4, 2006, then this written decision is final and not appealable to any other administrative body. Final administrative decisions with no further administrative remedy may be appealed to the Superior Court within thirty (30) days.



Tom Nelson
Secretary



Tony Jones
Chair

(Case Number 06-151)
(Parcel ID 052-061-04)

3 (e)

AGREEMENT

BETWEEN

ARRC-EI

JAN 1987

AGREEMENT OF ALASKA RAILROAD CORPORATION
AND EKLUTNA, INC.
SETTLING CLAIMS OF VALID E. ISTING RIGHTS
TO RAIL PROPERTIES OF THE ALASKA RAILROAD AND PROVIDING
FOR CONVEYANCES PURSUANT TO THE ALASKA NATIVE CLAIMS
SETTLEMENT ACT AND THE ALASKA RAILROAD TRANSFER
ACT OF 1982

3e agreement

January 8, 1987

16.1 Conveyance of Rock Quarry Lands Upon Cessation of Use. The Parties acknowledge that, pursuant to paragraph I.B(3)(e) of the North Anchorage Land Agreement of March 15, 1982, Among Eklutna, Inc., the Municipality of Anchorage, and the State of Alaska, the State of Alaska or its assignee is required to convey to Eklutna, Inc. certain lands including Parcel B of the Eklutna Rock Quarry, as described in subparagraph 1.5.2, above, and Exhibit No. 3B hereto, if the State of Alaska or its assignee ceases to use such lands "in connection with furnishing mass or bulk transportation." To further implement the requirements of paragraph I.B(3)(e) of the North Anchorage Land Agreement, the Parties agree as follows:

(a) The Alaska Railroad Corporation or its successor will notify Eklutna, Inc., the Governor of Alaska, the Legislature of Alaska, and the Municipality of Anchorage of the cessation of use of Parcel B of the Eklutna Rock Quarry in connection with furnishing mass or bulk transportation when such cessation occurs.

(b) Within 90 days after receipt of notice of cessation of use pursuant to the foregoing clause (a), Eklutna, Inc. will notify the Alaska Railroad Corporation or its successor whether Eklutna, Inc. desires to receive a conveyance of Parcel B of the Eklutna Rock Quarry.

(c) As soon as feasible after receipt of a request for conveyance of Parcel B of the Eklutna Rock Quarry from Eklutna,

Inc., pursuant to the foregoing clause (b), but in no event sooner than January 5, 1995, and subject to legislative approval if necessary at the time of conveyance, the Alaska Railroad Corporation or its successor will convey the lands within Parcel B in accordance with the requirements of paragraph I.B(3)(e) of the North Anchorage Land Agreement.

(d) The Parties agree that cessation of use of Parcel B of the Eklutna Rock Quarry in connection with furnishing mass or bulk transportation will occur only when (i) the rock structure occupying the parcel has been exhausted and no quarry rock that can be removed remains above the subgrade of the track bed presently situated on the parcel; or (ii) the parcel is devoted principally to a use other than the mining of rock. During the period the Alaska Railroad Corporation is using Parcel B of the Eklutna Rock Quarry for mining purposes, it may also use Parcel B for other incidental railroad support functions, including storage of railroad equipment. The Alaska Railroad Corporation shall not quarry rock situated lower than the existing subgrade of the track bed, and rock below such grade shall not be considered in determining whether the rock structure has been exhausted.

16.2 Conveyance of Easements by Eklutna, Inc. Within three days after its receipt of the conveyance of Parcel A of the Eklutna Rock Quarry, described in subparagraph 1.5.1, above, Eklutna, Inc. shall deliver to the Alaska Railroad Corporation

EXCERPT

§ 1425, Alaska National Interest Lands
Conservation Act (ANILCA)

Public Law 96-487, Dec. 2, 1980, 94 Stat.
2371

EKLUTNA VILLAGE CORPORATION LANDS

Sec. 1425. Eklutna-State Agreements and Negotiations.-(a) The purpose of this section is to provide for the settlement of certain claims and litigation, and in so doing to consolidate ownership among the United States, the State of Alaska, the Municipality of Anchorage, Eklutna, Incorporated, and Cook Inlet Region, Incorporated, thereby facilitating land management, a fair implementation of the Alaska Native Claims Settlement Act, // 43 USC 1601 // the protection of State public park lands and resources, and appropriate development patterns in and about Anchorage, Alaska.

(b) The Secretary shall accept relinquishments and make conveyances of selections in accordance with the specific terms, conditions, covenants, reservations, and other restrictions set forth in any agreement respecting the lands described in subparagraph (1) below, executed by the State of Alaska, by the Municipality of Anchorage, and by Eklutna, Incorporated, and hereafter submitted to the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs and filed with the Secretary, the execution and implementation of which agreement are hereby authorized as to those duties and obligations of the United States, the State of Alaska, the Municipality of Anchorage, and Eklutna, Incorporated, which arise under Federal law: Provided, however, That any conveyance under such agreement of lands to Eklutna, Incorporated, shall be only of the surface estate, with a subsequent conveyance to Cook Inlet Region, Incorporated, of the subsurface estate except as otherwise provided in subsection (h). In aid thereof:

(1) The following lands located within the townships described in sections 11(a) (1) and (2) of the Alaska Native Claims Settlement Act // 43 USC 1610. // with respect to the Native Village of Eklutna are withdrawn, subject to valid existing rights, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and including Public Law 94--204, // 43 USC 1604, 1611 // except section 12 thereof, and from selection under the Alaska Statehood Act, // 48 USC prec. 21. // or any statutes authorizing selections by the State of Alaska: (A) lands withdrawn or reserved for national defense purposes; and (B) lands determined by the Secretary under section 3(e)(1) of the Alaska Native Claims Settlement Act // 43 USC 1602. // not to be public lands for purposes of the Alaska Native Claims Settlement Act. This withdrawal and the agreement shall not affect the administrative jurisdiction of the Department of Defense or any other holding agency over the lands withdrawn, but all forms of disposition other than in accordance with this section and the agreement are prohibited: Provided, That the foregoing to the contrary notwithstanding, lands placed prior to July 15, 1979, in the pool contemplated by part I.C.(2) of the document entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as clarified 8--13--76", but only to the extent authorized by that document under section 12 of Public Law 94--204 // 43 USC 1611 // as amended heretofore and in accordance with the procedures and with the consents and approvals required by laws, regulations and Executive orders in effect on such date of placement, may be selected by Cook Inlet

Region, Incorporated, free of the effects of the agreement pursuant to this section; if the lands placed in that pool are not thereafter selected in accordance with part I.C.(2) of that document any agreement pursuant to this section shall govern: Provided further, That neither the revocation of certain withdrawals of lands made by subsection (b) effective upon the filing of the agreement, nor the expiration of the withdrawal made by subsection (b) in the event no agreement is reached, shall be deemed an action causing those lands affected thereby to be subject to disposition under such section 12. The withdrawal made by this subsection (b) will expire March 15, 1982, if an executed agreement described in this section is not filed by the parties thereto on or before that date with the Secretary in the Alaska State Office of the Bureau of Land Management; but if an agreement is so executed, rights under the agreement shall vest as of the effective date of this Act, and this withdrawal shall become permanent, except as otherwise provided in the agreement. The agreement shall not impose upon the United States obligations or outlays of funds, except as reasonable in the ordinary course of business, or impose any procedural requirements or require the reassignment of personnel; and any of its provisions to the extent to the contrary shall be void as against the Secretary.

(2) Upon termination or revocation of any national defense withdrawal or reservation or of any other withdrawal in effect December 18, 1971, respecting lands described in subsection (b)(1), or upon declaration of their excess status in whole or in part, whichever first occurs, but not before, and from time to time, the lands excessed or as to which the withdrawal is terminated or revoked shall be conveyed to Eklutna, Incorporated, as to the surface estate and Cook Inlet Region, Incorporated as to the subsurface estate, or to the State of Alaska (for reconveyance by the State of Alaska in whole or in part to the Municipality of Anchorage), as may be provided in the agreement described in this subsection: Provided, however, That such conveyance shall not be made of lands in the pool established under part I.C.(2) of the document entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as clarified 8--31--76" under section 12 of Public Law 94--204 // 43 USC 1611 // as amended heretofore, unless and until removed from that pool in accordance with such part I.C.(2). This section and the agreement shall preempt the procedures of the Federal Property Act (40 U.S.C. 471, et seq., and of 41 CFR 101--47.000 et seq.), (other than as to fixtures and personalty) and the preference right for State selection of section 6(g) of the Alaska Statehood Act. The conveyances to Eklutna, Incorporated, of lands withdrawn by this subsection called for by the agreement shall not be subject to section 1613(c) of title 43, United States Code. This section shall revoke PLO 5187 as it pertains to any lands withdrawn by this subsection and any power project withdrawals other than Power Project 350 as to such lands, effective upon the date of filing of the agreement. Lands conveyed to the State of Alaska, the surface estate of lands conveyed to Eklutna, Incorporated, and the subsurface estate conveyed to Cook Inlet Region, Incorporated, pursuant to this section and the agreement, shall be charged against their respective entitlements under sections 12 and 14 of the Settlement Act // 43 USC 1611, 1613. // and be considered conveyed and received pursuant to the Settlement Act, and section 6 of the Alaska Statehood Act // 43 USC 1601 // or section 906(c) of this Act.

(c) If an agreement to the following effect executed by the State of Alaska and Eklutna, Incorporated, is hereafter filed with the Secretary in the Alaska State Office of the Bureau of Land Management on or before April 2, 1982, the public lands as defined in the Settlement Act, // 43 USC 1601 // located within township 17 north, range 3 east, Seward Meridian, Alaska, shall be deemed to have been withdrawn pursuant to section 11(a) of the Settlement Act // 43 USC 1610. // as of December 18, 1971, and, selections heretofore made by Eklutna, Incorporated, with respect to lands therein shall be processed by the Secretary as though said selections had been made within a township heretofore validly withdrawn pursuant to section 11(a). If no such agreement is filed, this subsection shall not be held to affect the validity or invalidity of such selections. Whether or not any agreement is filed, this subsection shall not be held to affect the validity or invalidity of any third party interest heretofore created by the State of Alaska.

(d) Notwithstanding other provisions of this Act, the State and Eklutna, Incorporated, are each authorized to relinquish, in whole or in part, pursuant to either or both of the agreements contemplated by subsections (b) and (c), any one or more land selections affecting lands to be conveyed under the agreement to the other whether or not such selections have been previously approved or tentatively approved. The lands affected by the State selections so relinquished shall be deemed public lands as of December 18, 1971, as that term is defined in the Settlement Act.

(e) Eklutna, Incorporated, and the Secretary shall stipulate to dismiss cause number A-78--24 Civil in the United States District Court for the District of Alaska, when the Secretary tenders to Eklutna, Incorporated, a conveyance of all lands in township 17 north, range 3 east, Seward Meridian, which are to be conveyed to Eklutna, Incorporated, under the agreement referred to in subsection (c)

(f) Eklutna, Incorporated, and the Secretary shall stipulate to dismiss cause number A-78--192 Civil in the United States District Court for the District of Alaska except as to the lands affected thereby which under the agreement referred to in subsection (b) are to remain in litigation in that cause, if any, when the Secretary tenders to Eklutna, Incorporated, a conveyance of all those lands which under the agreement the State agrees are to be conveyed to Eklutna, Incorporated, from among those selected at one time by the State under the authority of the Mental Health Enabling Act of 1956 (70 Stat. 709).

(g) The Secretary shall convey to Eklutna, Incorporated, its entitlement without regard to the acreage or interests which may ultimately be conveyed to Eklutna, Incorporated, under the agreement from within lands withdrawn by subsection (b). The agreement shall, however, require Eklutna, Incorporated, to subject to section 907 of this Act one or more compact tracts of lands of at least equal acreage to that ultimately to be conveyed to Eklutna, Incorporated, under the agreement from those withdrawn by subsection (b). The agreement shall require Eklutna, Incorporated, to reconvey to the State lands from those subject to section 907 in an amount provided by the agreement, upon the occasion of each receipt of lands by Eklutna, Incorporated, from among those withdrawn by subsection (b). Lands received by the State in such a reconveyance from

Eklutna, Incorporated, shall be charged, to the extent of the acreage received by Eklutna, Incorporated, in the relevant conveyance to it, against the State's entitlement under section 6 of the Alaska Statehood Act, // 48 USC prec. 21. // or section 906(c) of this Act, as the State may elect. If thereby the State receives more than its entitlements under the Act elected, it shall reconvey to the United States a compact tract of unencumbered State lands of equal acreage contiguous to lands belonging to the United States. Eklutna, Incorporated, shall also subject to section 907 of this Act, once an agreement under subsection (c) exists and thereafter from time to time, one or more compact tracts which equals the acreage amount by which Eklutna, Incorporated's entitlement would be over satisfied considering the acreage already conveyed to Eklutna, Incorporated; to the extent such a risk of over entitlement abates the lands may be withdrawn from the Land Bank.

(h) In the event that Eklutna, Incorporated, receives a conveyance from the United States of the surface estate in lands withdrawn by subsection (b) pursuant to the agreement authorized in that subsection, and if a reconveyance from Eklutna, Incorporated, of the surface estate in land to the State from those subject to section 907 of this Act is thereby occasioned, a conveyance of the subsurface estate in the lands conveyed to Eklutna, Incorporated, shall be withheld until the Secretary ascertains to whom the subsurface estate is to be conveyed under this subsection. The entity owning the subsurface estate in those reconveyed lands shall retain that interest, unless it in the agreement or separately consents to convey the same to the State. In the event such entity so consents to convey the subsurface to the State, the Secretary shall convey the subsurface estate in the lands conveyed to Eklutna, Incorporated, to that entity; if such entity does not so consent, the subsurface estate in the lands conveyed to Eklutna, Incorporated, shall be conveyed to the State.